

Michael O. Leavitt Governor Dianne R. Nielson, Ph.D. Executive Director Don A. Ostler, P.E. Director

State of Utah

DEPARTMENT OF ENVIRONMENTAL QUALITY DIVISION OF WATER QUALITY

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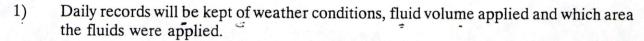
May 22, 1997

Paul Spor, General Manager North Lily Mining Company P.O. Box 421 Eureka, UT 84628

Subject: Permit No. UGW230001; Land Application Approval

Dear Mr. Spor:

We have completed our review of your March 5, 1997 request for approval of the enclosed Fluid Disposal Plan. It is our assessment that the proposal to land apply nearly 1,250,000 to 1,500,000 gallons of heap leach runoff water to land adjacent to the heap leach will have a diminimus impact to both ground water and surface water. The fluids will be applied such that nearly complete evaporation will occur and no infiltration to ground water is expected. The rate of fluid application will preclude the possibility of overland flow and land application will not occur during precipitation events. Your report estimates that it will take approximately 31 days to land apply all the fluids present. Soil concentrations of contaminants present in the water are not expected to significantly concentrate in the surficial soils because of the small quantity of fluids compared to large application area of approximately 12.4 acres. Provided that the actual land application process is carried out in accordance with your proposal and that the fluids to be land applied do not significantly exceed the upper estimated limit of 1,5000,000 gallons, your request is approved subject to the record keeping, sampling and reporting conditions below.



- Water quality samples of the fluids being applied shall be taken prior to the start of land application and every two weeks during the process until all fluids have been applied.
- A confirmation soil sampling program must be conducted following the completion of fluid applications. The sampling program should be equivalent to the evaluation conducted to establish baseline. The before and after data will be compared in order



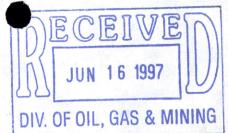
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Executive Secretary



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to verify that the predicted outcome is not significantly different than the predicted outcome.

4) Items 1, 2 and 3 above shall be submitted in a final report within 45 days of the completion of the land disposal project.

Sincerely,

Don A. Ostler, P.E.

Director

DAO:jd

cc: Roger Foisy, Area Engineer

Tom Munsen, DOGM

GAS & MINING

Central Ut. Dist. H.P.

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